CITY OF HOUSTON

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September 4, 2013

SUBJECT: Letter of Clarification No. **6** Third Party Administrator for Self-
Funded Medical and/or Pharmacy Benefits Plans for the City of
Houston

REFERENCE: Request for Proposal No. S37-T24702

TO: All Prospective Proposers

This Letter of Clarification is issued to in response to proposers' questions posted on
the RFP website as of August 30, September 3, and September 4, 2013.

**NOTE: Monthly eligibility files, medical / pharmacy claims detail reports and the
provider directory for the Limited Plan have been posted to a secure website.
You will need to execute the Non-disclosure Agreement (NDA) posted to the
Proposal Tech RFP website in order to obtain access to the PHI protected
information. Forward your completed NDAs to Joyce.Hays@houstontx.gov.**

When issued, Letter(s) of Clarification shall automatically become a part of the proposal
documents and shall supersede any previous specification(s) and/or provision(s) in
conflict with the Letter(s) of Clarification.   All revisions, responses, and answers
incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic
Purchasing Division and the applicable City Department(s). It is the responsibility of the
proposers to ensure that it has obtained all such letter(s). By submitting a proposal on
this project, proposers shall be deemed to have received all Letter(s) of Clarification and
to have incorporated them into this proposal.

1.   Question: 7.1 General and Background, 7.1.28: Please confirm what attached
provider and facility files we should be using to determine what percentage of claims
can be auto-adjudicated.

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to
the secure website, providing you have executed the Non-disclosure Agreement, NDA
(see **"NOTE"** above).

2.   Question: 8.2 Provider Disruption, 8.2.1: We acknowledge possession of the 15D.i
and 15D.ii provider files to show disruption using the "Y/N" methodology. However, the

files are missing the data necessary to provide analysis on the number of members, claims and claim dollars that would be disrupted. Please repost these files so that we may meet all the criteria of this question.

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to the secure website, providing you have executed the Non-disclosure Agreement, NDA (see **"NOTE"** above).

3. Question: Can we please get more clarification regarding questions 14.16.16 and 14.16.17 as far as what "tabs" exactly in Exhibit 15E – Top 100 Prescription Drugs we should complete? There are currently 13 retail tabs (top 100 retail brands by volume and script count and containing data from 2011-2012 and 2012 to 2013) and 2 mail orders tabs (top 100 mail brands by Days Supply containing data from 2011-2012 and 2012-2013. For the tabs that you identify that we need to complete, can we just add our responses (Y / N) next to each drug in the last column (column H in this case in all the exhibits)?

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to the secure website, providing you have executed the Non-disclosure Agreement, NDA (see **"NOTE"** above).   The top 100 drugs listed by volume, total cost, and cost per script for the two plan years are for information purposes only. Your proposal should be based on data included in the pharmacy detail file.

4.   Question: Is the City's intent to offer multiple vendors and that is why the tiered pricing is requested?

Answer: The tiered pricing the City has requested references the membership status; i.e., Employee only, Employee + Spouse, Employee + Child(ren), Employee + Family.

5. Question: How many on-site CSRs are required?

Answer: The City is requesting four (4) on-site CSRs.

6. Question: Please explain the requirement: Provide City staff with remote and 100% access to claims and member eligibility system(s). Is this to view member claim status and load/manage eligibility?

Answer: City Human Resources employees require access to the same eligibility and reporting system(s) used by the vendor in order to run reports and dashboards as deemed necessary by City management.

7. Question: Provide a report, indicating the number of members, the number of claims and the claim dollars by each proposed network separately for Inpatient Facility, Outpatient Facility and Professional by zip code..."

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to the secure website, providing you have executed the Non-disclosure Agreement, NDA (see **"NOTE"** above).

8. **Question:** Would you please provide the medical and RX claim repricing files.

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to the secure website, providing you have executed the Non-disclosure Agreement, NDA (see **"NOTE"** above).

9. **Question:** Please provide the monthly subscriber counts.

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to the secure website, providing you have executed the Non-disclosure Agreement, NDA (see **"NOTE"** above).

10. **Question:** Will the City accept responses to individual segments of the RFP; i.e., wellness services from non-TPA vendors?

Answer: The City is requesting third party administrator services and other services as specified in this RFP.

11. **Question:** May we submit our prescription plan as a traditional offering (retail and mail discounts) with full rebate pass-through?

Answer: You may submit those plans which you deem appropriate and responsive to the RFP.

12. **Question:** It is important for us to have a clear understanding of the plan elections of the covered retirees. Please provide the key so we can interpret the plan codes on the retiree census. Or, please submit a new census which lists the plan elections for the retirees in the same way that the active census does.

Answer: You only need to be concerned with the codes listed below, as all others reference Medicare Advantage / Supplement plans:

- RLTD   Retiree on Limited Plan
- RCDH   Retiree on CDHP
- RCOA   Retiree on Open Access
- RTOP   Retiree on Texas Option Plus
- SLTD   Survivors on Limited Plan
- SCDH   Survivors on CDHP
- SCOA   Survivors on Open Access
- OLTD   Retiree over 65 on Limited Plan
- OCDH   Retiree over 65 on CDHP

- OCOA   Retiree over 65 on Open Access
- OPSM   Survivor Opted out of medical coverage
- OPTM   Retiree Opted out of medical coverage
- MCDH   Retiree w/ Medicare on CCHP
- MCOA   Retiree w/ Medicare on Open Access

Sincerely,

Gerri R. Walker

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Assistant Director, Human Resources